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SIPDIS

G/TIP FOR BARBARA FLECK AND MARK FORSTROM  
WHA/PPC FOR SCOTT MILLER

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MASS, ASEC, AR, UK  
SUBJECT: ARGENTINA: A/S SHANNON MEETS WITH FOREIGN MINISTER  
TAIANA TO DISCUSS BILATERAL COOPERATION

REF: (A) BUENOS AIRES 0513 (B) BUENOS AIRES 0519 (C)  
BUENOS AIRES 0520 (D) BUENOS AIRES 0522 (E)  
BUENOS AIRES 0575

Classified By: Ambassador E. Anthony Wayne for reasons 1.4(d)

¶1. (SBU) Summary: April 11 A/S Shannon and Ambassador Wayne agreed with Argentine Foreign Minister Jorge Taiana and his team to revive and modify a mechanism for bilateral dialogue.

The approved concept sets out two additional bilateral meetings under the 1997 "Framework of Understanding between the GoA and the USG on the Establishment of a Special Process of Regular High-Level Bilateral Consultations," with the next meeting set for June in Buenos Aires. The meetings should include other agencies, as the agenda will be broad. They agreed to have a working group refine the agenda, which should include bilateral cooperation on science and technology, tourism, education, and province-to-state relations in addition to a core of foreign policy issues. Ambassador Wayne pressed the GoA to speak more about its experience as a victim of Hizballah, congratulated the GoA for passing TIP legislation, and brought up the stalled Megaports initiative. Taiana and team maintained the GoA's hard line on Doha Development Round industry sector negotiations and pushed for the U.S. to use its influence with HMG to get it to mediate with Argentina over the Falklands dispute.

¶2. (SBU) Taiana was joined by newly appointed Vice Foreign Minister Vittorio Taccetti (just arrived that morning from Rome), U/S for Bilateral Policy Ambassador Vicente Espeche-Gil, and Ambassador to the United States Hector Timerman. A/S Shannon and Ambassador Wayne were accompanied by DCM, Polcouns, Econcouns, and ESTHcouns. Over lunch, Chief of Staff Alberto D'Alotto, Secretary for Trade Alfredo Chiaradia, and Assistant Secretary for Latin American Affairs Agustin Colombo joined. End Summary.

#### Structuring the Bilateral Framework

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¶3. (SBU) Minister Taiana expressed his gratitude for A/S Shannon's visit and noted the participation of Vice FM (and former Ambassador to Italy) Vittorio Taccetti, who had just arrived in Buenos Aires and took up his new duties hours before. Espeche-Gil kicked off the substantive portion of the meeting by noting that this would be the first of three meetings in 2008 to explore a framework of understanding between Argentina and the United States, with subsequent meetings to be held in June (in Buenos Aires) and in the early fall (venue TBD). Espeche-Gil stressed the importance of having a wide and open agenda as a starting point to discuss bilateral issues. Taiana identified some areas of established bilateral cooperation, such as counter-terrorism

and counter-narcotics.

¶4. (SBU) A/S Shannon thanked the Argentine delegation for hosting and emphasized USG interest in a positive bilateral relationship. A/S Shannon stressed the importance of a constructive work agenda that would show results soon. He said that the USG was ready to institutionalize the dialogue and to identify areas where we could work with Argentina to achieve results in the short- to medium-term.

#### Branching Out -- Legislature, States, and Cities

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¶5. (SBU) Taiana focused initially on low-controversy issues that were unlikely to find offense. He encouraged expanding dialogue to the legislative branch of government, and mentioned areas of cooperation at the federal and municipal levels. He noted the creation of the U.S.-Argentina Friendship Committee in the Argentine Senate (to match the existing group in its lower chamber) as a positive development. The Ambassador noted that the U.S. Congress didn't have an exact counterpart, but had members and subcommittees greatly interested in the region who would likely welcome greater contact. Timerman shared GoA plans to bring Argentine parliamentarians to the United States to explain Mercosur.

¶6. (SBU) Taiana said that we should explore cooperation at the federal level, involving U.S. states and Argentine provinces. He noted that Argentina and the United States are two of only five federalist countries in the hemisphere. The Ambassador suggested creating a space (in the form of a conference or seminar) to bring in representatives from both

states and provinces to share experiences. A/S Shannon added that many states have foreign relations departments that could be a good starting point. Taccetti mentioned that the federal government also could play a role by providing the local chambers of commerce with information on which provinces produce what goods and which countries buy the products. A/S Shannon said the GoA needed to convince state governments that Argentina was a good place for investment.

¶7. (SBU) In this light, Taiana also encouraged creating a dialogue between the Argentine Municipal Federation (FAM) and municipalities in the United States. Taiana noted that municipalities have a firm, active role in local governance, which he said was very important. The Ambassador mentioned the sister cities program between Bariloche and Aspen as an example of positive relations between U.S. and Argentine cities, which could be expanded.

#### Tourism and Education

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¶8. (SBU) Two other areas of possible bilateral cooperation that interested Taiana were tourism and education. He specifically cited the importance of working together to encourage tourism. Ambassador Wayne commented that we could work with tourism businesses representing both countries and establish a working group on the tourism issue.

¶9. (SBU) Taiana said that education also must be on the bilateral agenda, and Ambassador Wayne agreed. Taiana said that Ambassador Timerman was very active and interested in educational exchanges. He mentioned that Timerman had written a book entitled "Study in Argentina" as a guide for students wishing to study in Argentina, and that for the first time in memory, more Americans were studying in Argentine universities than vice versa. Timerman cited the decision by NYU to reopen a campus in BA: that decision was based on an NYU study that placed Argentina as the most attractive country in the region for educational experiences and one of the top five in the world where students wanted to study abroad. A/S Shannon suggested emulating a program Chile had worked on with the United States to encourage Argentine students to study in the U.S. Targeted specifically at non-English speakers, the students enrolled

in English language training for a year before they would leave to study in the United States. Chile paid for the university study and the US for the English training. Taiana and Timerman both welcomed the idea. Ambassador noted several positive examples of bilateral educational exchanges: NYU's satellite campus in Buenos Aires; Rice University's efforts to build a student base in Argentina; and Embassy-sponsored English scholarships last year for high school students who wouldn't be able to afford it otherwise.

#### Economy, Technology, and Biofuels

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¶10. (SBU) Taiana said that Argentina has been growing strongly for the past six years, and he expressed confidence that Argentina's commitment to maintaining both a primary fiscal surplus and a trade surplus will finally overcome the nation's history of volatile economic performance. Taiana said the Argentine economy was "more solid than it has ever been."

¶11. (SBU) Taiana's proposed agenda for the June meeting included collaboration on science and technology, which he described as a focus continued from former president Nestor Kirchner's government. Taiana expressed interest in the high-technology sector as an area where Argentina could grow and one that could be an interesting area for bilateral cooperation. The Ambassador said that there are already numerous U.S. businesses present in the innovation sector in Argentina that could be willing to invest more given good opportunities and a favorable investment climate. (Science, Technology and Investment Minister Baranao subsequently agreed to participate in a roundtable with U.S. companies to explore options.)

¶12. (SBU) The Embassy's EST counselor mentioned a possible biofuels MOU establishing a bilateral biofuels working group as a no-cost way to institutionalize bilateral cooperation in an area important to both countries. Taiana mentioned the March Washington International Renewable Energy Conference (WIREC) meeting and noted further possibilities to work together. A/S Shannon mentioned that the United States is committed to aggressively incorporating alternative energy

(AE) sources into the U.S. energy consumption mix, with a goal of 10% AE contribution by 2020. He acknowledged that there were political sensitivities to current tariffs applied to the import of biofuels in our Senate.

#### Saldano Case

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¶13. (SBU) Timerman brought up the Victor Saldano case involving an Argentine on death row in Texas who was appealing to the Supreme Court. He said there was a similar case with a Mexican who had not received consular access. Timerman said that he had spoken with the Department of Justice to discuss the case. A/S Shannon explained that the Mexican case is the product of a ruling by the International Court of Justice asking the U.S. to review court decisions in death penalty cases where consular access had been an issue. After the ruling, POTUS asked states to review relevant court decisions, but some states rejected the request. A/S Shannon noted there were constitutional issues in play that only the Supreme Court could resolve.

#### TIP

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¶14. (SBU) Espeche-Gil mentioned that the U.S. TIP report faulted the GoA's lack of legislation on the issue. He brought up the recent passage of the TIP law (BA 465) and asked if this would change our coverage of the issue in future reports. The Ambassador congratulated the GoA for passing the TIP law, urged vigorous implementation, and offered U.S. assistance to boost prosecutions of traffickers. He said the new legislation was encouraging, but Washington was looking to see how it would be implemented. Taiana said

the current system had not been working and that federalizing the crime gave the GoA the jurisdiction and authority to investigate and prosecute.

#### Malvinas/Falklands

¶15. (C) Taiana launched into a lengthy explanation of Argentina's claim on the Malvinas/Falklands islands, saying the GOA was looking to its friends to help get HMG to the table. Since May 2003, the Argentine government has been increasingly vocal on the Malvinas/Falklands, he said. According to Taiana, the GoA wants to disabuse the British of their view that this is "just an electoral issue" for the Argentines. The GOA considered its claim to the islands to be inalienable and "unrenouncable." He said the GoA would continue to denounce this vestige of British colonialism. He said the 1982 invasion had been an aberration from decades of peaceful pursuit of Argentina's claim, and there was therefore no need for the British to keep an active military base with "thousands" of troops in a peaceful area. He said that the 1982 War was only possible because of Argentina's military dictatorship at the time, and he "trusted that one day the weight of the U.S. would make the British sit at the negotiating table."

#### Doha Round

¶16. (SBU) Taiana lamented USTR's recent criticism of Argentina and other developing market economies in current WTO DOHA round negotiations. Taiana said that the United States must understand that Argentina cannot accept any outcome that could comprise future Argentine GDP growth and the "recuperation" of its industrial sector. Taiana said that, while the GoA has room to be flexible on Doha service sector commitments, proposed asymmetrical industrial sector tariff cuts favor developed countries are simply not acceptable to Argentina. Ambassador noted recent positive developments in agricultural sector negotiations, and pointed out Argentina's interest in a robust services agreement given robust foreign investment inflows into Argentina's developing services sector. (At a lunch hosted by Taiana afterwards, MFA chief trade negotiator and Trade Secretary Alfredo Chiaradia joined the group and repeated his normal harangue justifying GOA inflexibility in the industrial sector negotiations. He added that Argentina would be helpful on agriculture and would also make a constructive effort on services but it could only accept a 50% cut in industrial tariffs. Chiaradia argued that other flexibilities in the current draft were not sufficient.)

#### Counter-Terrorism

¶17. (C) The Ambassador brought up two topics in the fight against terrorism. He advised Taiana that the Spanish Ambassador would soon request a meeting to present, together with him and the Russian Ambassador, a troika demarche on the Global Initiative to Combat Nuclear Terrorism. Taiana said he looked forward to meeting with the three ambassadors and that Argentina was looking favorably at participating in the Madrid meeting. The Ambassador also encouraged the GoA to speak at international gatherings about its experience as the victims of Hizballah in the 1992 bombing of the Israeli Embassy and the 1994 bombing of the AMIA community center. The Ambassador recognized the risks perceived by the GoA of speaking up about Iran and Hizballah, but urged consideration of doing so in international fora where Argentina's experience was of great relevance and could help alert other governments to the dangers faced and the warning signs for which to look.

#### GSP

¶18. (SBU) Timerman noted the GoA's concern about the

upcoming December 2008 expiry of U.S. unilateral trade preferences program, the General System of Preferences (GSP).

EconCouns noted the GoA's active and successful advocacy to retain Argentine benefits in the run-up to the GSP's program's last December 2006 renewal. He explained that, in preparation for Congress's upcoming debate on GSP program renewal, the U.S. General Accounting Office has begun an analysis an assessment of program utilization and success to date.

#### Megaports Initiative

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¶19. (SBU) Ambassador brought up the Megaports initiative by reminding Taiana that we had agreed on a draft MOU two years ago but that the issue had stalled since then. The GoA, however, had yet to designate an implementing agency and was therefore missing out on valuable materiel and technical assistance. Taiana said he had tried to mediate with little success and called the two-year delay "absurd." He forecasted that it would be resolved shortly because there were new people in charge at Argentine Customs and the Coast Guard.

Excerpt from MFA press release below:

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¶20. (U) (Embassy's informal translation) Following up on the meeting in Washington March 18 between Foreign Minister Jorge Taiana and Deputy Secretary of State John Negroponte and in the framework of the decision to energize the bilateral relationship, the Argentine Foreign Minister held a working meeting at midday at San Martin Palace with the Assistant Secretary of Western Hemisphere Affairs Thomas Shannon...Both delegations verified, with satisfaction, the importance and fluidity of the dialogue that exists between the two countries. Later, the meeting continued in a lunch that Minister Taiana offered to Shannon and his team.

¶21. (U) A/S Shannon has cleared this cable.  
WAYNE